NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE (No Surface Use)

(No Surface Use)							
THIS LEASE AGREEMENT is made this	13	day of	Jine			_, 2009, by and between	
Hilario Varquez Cabral	AIK/A	Hilario	Cabral	JR and	wife,	Maria Roxa Co	bral
whose addresss is 3617 Fast Fair fast Avenue, Fort worth, Texas 76119 as Lessor, and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texas 75201, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee. 1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:							
956 ACRES OF LAND, MORE OF OUT OF THE Treatman City Fort Worth IN VOLUME 388 B, PAR	•	TARRANT	COUNTY, TE	XAS, ACCOF	RDING TO	, BLOCK ON, AN ADDITION 1 THAT CERTAIN PL FARRANT COUNTY	AT RECORDED
in the County of <u>Tarrant</u> , State of TEXAS, containing <u>856</u> gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.							
This lease, which is a "paid-up" lease requivas long thereafter as oil or gas or other substances otherwise maintained in effect pursuant to the provise.	covered her	eby are produ	n force for a prima iced in paying qua	ry term of F	ased premise	years from the s or from lands pooled the	e date hereof, and for erewith or this lease is
3. Royalties on oil, gas and other substances separated at Lessee's separator facilities, the royal Lessor at the wellhead or to Lessor's credit at the othe wellhead market price then prevailing in the salprevailing price) for production of similar grade a severance, or other excise taxes and the costs incurbate the continuing right to purchase such production then prevailing in the same field, then in the neares nearest preceding date as the date on which Lessee the leased premises or lands pooled therewith are obydraulic fracture stimulation, but such well or wells be producing in paying quantities for the purpose of being sold by Lessee, then Lessee shall pay shut-if depository designated below, on or before the end are shut-in or production there from is not being sold by Lessee, then Lessee's failure to 4. All shut-in royalty payments under this lease be Lessor's depository agent for receiving payments draft and such payments or tenders to Lessee's failure to address known to Lessee shall constitute proper payment hereunder, Lessor shall, at Lessee's reque 5. Except as provided for in Paragraph 3. aboremises or lands pooled therewith, or if all produpursuant to the provisions of Paragraph 6 or the nevertheless remain in force if Lessee commences on the leased premises or lands pooled therewith withe end of the primary term, or at any time therear operations reasonably calculated to obtain or restor no cessation of more than 90 consecutive days, arthere is production in paying quantities from the leased premises from uncompensated drainage by additional wells except as expressly provided herein 6. Lessee shall have the right but not the object the develop the leased premises as to formation leased premises from uncompensated drainage by additional wells except as expressly provided herein 6. Lessee shall have the right but not the object in the lease of the provision of the provision of the provision of the leased premises of the leased premises as to formation leased premises from uncompensated drainage by	s produced a alty shall be alty shall be alty shall be alty processor and gravity; _) of the produced by Less on at the prest field in whe commence capable of eil are either slight of conference of said 90-day of sa	and sayed her is transportation (b) for gas in delivering there is no (ceeds realized see in delivering the producing the producing that in or producing the producing that in or producing the producing that in or producing the provided the	on facilities, providence then contact the	led that Lessee sorevailing in the shead gas) and the sale thereof, otherwise market aid for production rice) pursuant to (c) if at the end of substances core should be a substances core should be a substances core and being sold be consecutive days. I by this lease, substances cherewise being royalty shall be consecutive days a stamped envirous attempts of the succeeded between the succeeded the succeeded between the succeeded	_) of such pro- shall have the same field, the all other sub- less a proporti ting such gas a i of similar qua comparable p if the primary to wered hereby i by Lessee, suc such well or uch payment to ersary of the e g maintained be due until the er a amount due, n at lessor's ments or tendelope address y another institu paying quantil uses from any diditional well or et or within 90 c out Lessee is th ng as any one as or other sub of a well capabl t operator wou sed premises n. There shall erest therein we	oduction, to be delivered continuing right to purchasen in the nearest field in stances covered hereby, ionate part of ad valorem or other substances, proving the part of ad valorem or other substances, proving the part of ad valorem or other substances, proving the part of an applying quantities or such well or wells shall never on the part of said 90-day period by operations, or if product of the 90-day period poy operations, or if product of the 90-day period not shall not operate to the address above or its sizes may be made in currect of the said position or for any reason of the sites (hereinafter called "dricause, including a revisit of otherwise being maint of otherwise being maint of otherwise being maint of the producing in drilling, roor more of such operation of stances covered hereby, site of producing in paying all drill under the same or or lands pooled therewith be no covenant to drill exitted any other lands or interest.	at Lessee's option to se such production at the royalty shall be taxes and production, ded that Lessee shall there is no such price of into on the same or one or more wells on h wells are waiting on theless be deemed to ction there from is not at Lessor's credit in the while the well or wells ction is being sold by ext following cessation arminate this lease. Uccessors, which shall not, or by check or by the Lessor at the last all or refuse to accept or receive payments. If a production of all production. If at eworking or any other is are prosecuted with as long thereafter as quantities hereunder, similar circumstances in, or (b) to protect the proratory wells or any otherests, as to any or all
depths or zones, and as to any or all substances proper to do so in order to prudently develop or ope unit formed by such pooling for an oil well which is horizontal completion shall not exceed 640 acres pleompletion to conform to any well spacing or densit of the foregoing, the terms "oil well" and "gas well" prescribed, "oil well" means a well with an initial gas feet or more per barrel, based on 24-hour produinequipment; and the term "horizontal completion" requipment; and the term "horizontal completion" momponent thereof. In exercising its pooling rights	erate the lease not a horizo us a maximuty pattern that shall have to coil ratio of loction test comeans an oileans an oi	sed premises, intal completion in acreage to at may be presible meanings less than 100, onducted undo il well in which well in which	whether or not sin shall not excee ilerance of 10%; p scribed or permitty prescribed by app 000 cubic feet per er normal produce the horizontal co	milar pooling authors and acres plus a covided that a larged by any governous bilicable law or the barrel and "gas ving conditions us component of the grones of the grones of the grones of the grones.	nority exists wing maximum acting a maximum acting the maximum acting the maximum acting the maximum acting standard acting standard acting standard acting sompletic acting standard acting ac	th respect to such other it reage tolerance of 10%, a reformed for an oil well or ity having jurisdiction to di governmental authority, o well with an initial gas-oil lease separator facilities letion interval in facilities on interval in the reservo	ands or interests. The ind for a gas well or a gas well or horizontal o so. For the purpose r, if no definition is so ratio of 100,000 cubic or equivalent testing or equivalent testing r exceeds the vertical

reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in

Production, drilling or reworking operations anywhere on a unit which includes all or any part of the leased premises shall be treated as if it were production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of e area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises. store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws rules regulations and orders of any governmental authority.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's

control, this lease shall not be liable for breach of any express or implied coverants of this lease when drilling, production or other operations are so prevented to the term hereof.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon

Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offer, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above Lessor hereby grants assigns and conveys unto Lessee lits successors and assigns, a pernetual subsurface well hore

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore tement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

LESSOR (WHETHER ONE OR MORE)

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

 $\cdot \circ \wedge \circ -$

HILLYID CHOYL DR By: Hilario Varquez Carovai	By: Maria Rosa Cabral
STATE OF Texas	OWLEDGMENT
COUNTY OF Tarrant	lay of
MARIA MUNOZ PADILLA Notary Public, State of Texas My Commission Expires October 05, 2011	Maria My Padelle Notary Public, State of Texas Notary's name (printed): Notary's commission expires:
STATE OF	tay of June , 2009,
MARIA MUNOZ PADILLA Notary Public, State of Texas	Motary Public, State of Texa 5 Notary's name (printed): Notary's commission expires:

My Commission Expires October 05, 2011

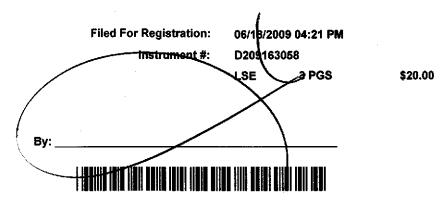


DALE PROEPERTY SERVICES
ANN VANDENBERG
2100 ROSS AVE, STE 1870, LB-9
DALLAS TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



D209163058

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Printed by: DS